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UNCLAS GUANGZHOU 000249

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E.O. 12958: N/A
TAGS: [ETRD](#) [EINV](#) [ECON](#) [PGOV](#) [CH](#) [HK](#) [TW](#)
SUBJECT: 103RD CANTON TRADE FAIR OVERALL NO SLACKENING, U.S.
ATTENDANCE DOWN

REF: 2007 GUANGZHOU 1186

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¶1. (SBU) Summary: Officially the 103rd Canton Fair was a success with slight increases in attendance and orders, but local travel industry contacts complained of lower participation from U.S., EU, Japanese and Korean buyers. Security was notably tighter with numerous seminars cancelled. End summary.

Slight Increase Overall, Decline in U.S. Attendance

¶2. (U) Press reports announced that total attendance for the 103rd China Import Export Commodities Fair (Canton Fair) had increased 1.3 per cent over the previous fair held in October 2007 (102nd Session). A total of 192,013 visitors visited the fair and placed orders valued at USD 38.23 billion. This represented a 2.1 per cent increase in the value of orders placed compared to the October 2007 session and a 5.1 per cent increase over the Spring 2007 (101st) fair.

¶3. (U) Continuing a trend seen at the 102nd Session, official reports indicated that orders for exports to the Middle East and Southeast Asia increased by 9.6 percent and 15.9 percent, respectively. Among products, machinery and electric products industries also continued increasing, accounting for USD 16.82 billion of orders, an increase of 7.7 per cent. These deals represented 44 percent of all contracts signed.

¶4. (SBU) However, orders from the United States, EU, Korea and Japan declined, with attendance from these countries also falling by 7 to 10 per cent. Unofficial accounts corroborated these reports of lower attendance. A China Southern Airlines executive commented that attendance was very poor this session with "almost no one" coming from the United States. Major hotels in Guangzhou also complained of fewer bookings during this session. By product category, official reports showed declining orders for consumer product exports like porcelain, furniture, plastic wares and textile/apparel goods.

Increased Security

¶5. (SBU) Security at the 103rd Session was notably tighter with Chinese exhibitors required to present cleared criminal background checks before being issued entrance credentials. Fair organizers also cracked down on freelance interpreters and other service personnel, requiring registered buyers and sellers to only use certified providers. Numerous seminars that are normally held concurrently at the convention center were all cancelled by the fair organizers, citing security concerns. South China AmCham

representatives commented that they were able to proceed with a planned presentation only because they had made separate arrangements to host the event at a nearby hotel.

GOLDBERG